



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Mike Dunleavy, Governor*  
*Julie Anderson, Commissioner*  
*Robert M. Pickett, Chairman*

**Regulatory Commission of Alaska**

April 3, 2020

In reply refer to: Tariff Section  
Files: TA146-97, TA107-118  
TA151-37 and TA101-290  
LO#: L2000129

Anna Merrill  
Regulatory Affairs Manager  
Utility Services of Alaska  
P. O. Box 80370  
Fairbanks, AK 99708-0370

Dear Ms. Merrill:

Golden Heart Utilities, Inc. (GHU) and College Utilities Corporation (CUC) filed tariff revisions for their water (TA107-118 and TA146-97, respectively) and wastewater utilities (TA101-290 and TA151-37, respectively) on March 2, 2020, seeking to update their Plant Replacement and Improvement Surcharge Mechanism surcharge. On April 2, 2020, the Regulatory Commission of Alaska approved the following tariff sheets:

- Tariff Sheet Nos. 30 and 99, filed March 2, 2020, with TA146-97 and TA107-118, by CUC and GHU, respectively; and,
- Tariff Sheet Nos. 26 and 95, filed March 2, 2020, with TA151-37 and TA101-290, by CUC and GHU, respectively.

The effective date of the tariff sheets is April 16, 2020. Enclosed are validated copies of the approved tariff sheets.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA

*Becki Alvey*

Becki Alvey  
Tariff Section Manager

Enclosures

CANCELING

8<sup>th</sup> REVISION

SHEET NO. 30

**RECEIVED****MAR 02 2020**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

COLLEGE UTILITIES CORPORATION

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

**PRISM WATER SURCHARGE RATE:** The PRISM percentage is 1.01%

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PURSUANT TO:

TARIFF ADVICE NO: 146-97

EFFECTIVE: April 16, 2020

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY:



Oran Paul

Title: President

CANCELING

8<sup>th</sup> REVISION

SHEET NO. 99

**RECEIVED****MAR 02 2020**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

GOLDEN HEART UTILITIES, INC.

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

## d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

**PRISM WATER SURCHARGE RATE:** The PRISM percentage is 1.01%

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PURSUANT TO:

TARIFF ADVICE NO: 107-118

EFFECTIVE: April 16, 2020

ISSUED BY: GOLDEN HEART UTILITIES, INCBY: O — A . P — I

Oran Paul

Title: President

CANCELING

8<sup>th</sup> REVISION

SHEET NO. 26

**RECEIVED****MAR 02 2020**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

COLLEGE UTILITIES CORPORATION

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

## d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

**PRISM WASTEWATER SURCHARGE RATE:** The PRISM percentage is 1.08%

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PURSUANT TO:

TARIFF ADVICE NO: 151-37

EFFECTIVE: April 16, 2020

ISSUED BY: COLLEGE UTILITIES CORPORATION

BY:



Oran Paul

Title: President

CANCELING

8<sup>th</sup> REVISION

SHEET NO. 95

**RECEIVED****MAR 02 2020**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

GOLDEN HEART UTILITIES, INC.

PLANT REPLACEMENT IMPROVEMENT SURCHARGE MECHANISM

## d. Computation: (continued)

Formula: The formula for calculating the plant replacement surcharge percentage is as follows:

$$\text{PRISM} = \frac{((\text{EP} \times \text{WACC}) + \text{Dep} + \text{Taxes} + e)/2}{\text{PSAR}}$$

Where:

EP = the original cost of PRISM eligible plant net of accumulated depreciation. To the extent bonus depreciation is applicable to eligible plant, the Utility will make an adjustment to subtract related ADIT.

WACC = the weighted average cost of capital approved in the utility's most recent general rate case.

Dep = the depreciation expense related to PRISM eligible plant.

Taxes = the state and federal statutory tax rates applied to the equity return, and local property taxes applicable to the PRISM eligible plant.

e = the amount calculated under the annual reconciliation or any correction or adjustment of actual entries used in the calculation of the surcharge rate.

PSAR = the projected semi-annual revenues to be collected from customers.

**PRISM WASTEWATER SURCHARGE RATE:** The PRISM percentage is 1.08%

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PURSUANT TO:

TARIFF ADVICE NO: 101-290

EFFECTIVE: April 16, 2020

ISSUED BY: GOLDEN HEART UTILITIES, INCBY: 

Oran Paul

Title: President